



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

May 7, 2002

The Honorable Gammie G. Poindexter
Chief Judge
County of Surry General District Court
PO Box 187
Prince George, VA 23875

The Honorable Charles A. Perkinson
Chief Judge
County of Surry Juvenile and
Domestic Relations District Court
315 S. Main Street
Emporia, VA 23847

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Surry District Court for the period January 1, 2001 through December 31, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Accounting Procedures

We found the following weaknesses:

- The Clerk does not properly reconcile her bank account statements to the court's financial records. The Clerk does not resolve reconciling items properly and timely. Proper bank reconciliations include identifying and resolving differences between the bank balance and the system's cash balance. Monthly bank reconciliations are essential for determining the proper recording of all transactions and detecting errors.

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- The Clerk continues to improperly hold restitution and garnishment funds totaling \$322. The Clerk received these funds in December 2001, but had not disbursed the funds as of May 2002. Additionally, the Clerk delayed refunding \$141 in overpayments from defendants up to two months after receipt.
- The Clerk did not report \$96 in unclaimed property to the State Treasurer as required by §55-210.12 of the Code of Virginia. The Clerk should review all liabilities and outstanding checks annually and report amounts over one year old to the State Treasurer.

The Clerk should ensure that she possesses an appropriate understanding of the financial management system and the accounting procedures. She should consider receiving additional training from the Supreme Court to increase her knowledge and understanding of accepted accounting practices and the court's automated systems.

We discussed these comments with the Clerk on May 7, 2002 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable J. Larry Palmer, Judge
The Honorable Sam E. Campbell, Judge
Karen J. Shaw, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnne Lane, Court Analyst
Supreme Court of Virginia